



GOVERNOR'S OFFICE OF  
BUDGET AND PROGRAM PLANNING

## Fiscal Note 2009 Biennium

<b>Bill #</b>	SB0432	<b>Title:</b>	Generally revise biodiesel laws
<b>Primary Sponsor:</b>	Brueggeman, John	<b>Status:</b>	As Introduced - Corrected

- |   |  |  |
|---|--|--|
| <input type="checkbox"/> Significant Local Gov Impact     | <input type="checkbox"/> Needs to be included in HB 2  | <input type="checkbox"/> Technical Concerns              |
| <input type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts | <input type="checkbox"/> Dedicated Revenue Form Attached |

### FISCAL SUMMARY

	<u>FY 2008 Difference</u>	<u>FY 2009 Difference</u>	<u>FY 2010 Difference</u>	<u>FY 2011 Difference</u>
<b>Expenditures:</b>				
General Fund	\$30,150	\$30,150	\$30,904	\$31,676
<b>Revenue:</b>				
General Fund	\$0	\$0	\$0	\$0
<b>Net Impact-General Fund Balance</b>	<u>(\$30,150)</u>	<u>(\$30,150)</u>	<u>(\$30,904)</u>	<u>(\$31,676)</u>

**Description of Fiscal Impact:** The Department of Labor & Industry will incur the cost of collecting biodiesel samples at refineries or wholesale distribution points where biodiesel is being blended and sending these samples to a private lab for testing. Impact to the Department of Transportation would be minimal.

### FISCAL ANALYSIS

#### Assumptions:

##### **Department of Labor & Industry**

1. It will be the responsibility of the Department of Labor and Industry to ensure biodiesel meets the standard for on-road diesel fuel contained in the American Society for Testing and Materials (ASTM) D975.
2. It is assumed all of the blending of biodiesel will be performed at the refineries and wholesale distribution points.
3. The department will be required to collect samples and submit them to an independent third party lab for verification of compliance. The department is responsible for all costs incurred in the testing process. These costs would include, the sample itself -one gallon - approximately \$3.00; shipping and containers at \$50 per sample; testing at approx. \$550 per sample for a total of \$603 per sample. The department

estimates the testing of 50 samples per year to ensure compliance with biodiesel standards which will result in a net cost to the department of \$30,150.

4. The department does not have revenue sources available to fund these expenditures. Therefore, it is assumed that the general fund would pay for the increased costs.
5. The cost associated with the adoption of rules requiring fuel facilities to label the pump that dispenses the fuel as to its biodiesel content are anticipated to be minimal and can be absorbed by the department within existing resources.

#### **Department of Transportation**

6. Data collection and reporting requirements to the department are expected to be minimal and could be absorbed within existing resources.

	<b><u>FY 2008 Difference</u></b>	<b><u>FY 2009 Difference</u></b>	<b><u>FY 2010 Difference</u></b>	<b><u>FY 2011 Difference</u></b>
<b><u>Fiscal Impact:</u></b>				
<b>Department of Labor &amp; Industry</b>				
<b><u>Expenditures:</u></b>				
Operating Expenses	\$30,150	\$30,150	\$30,904	\$31,676
<b><u>Funding of Expenditures:</u></b>				
General Fund (01)	\$30,150	\$30,150	\$30,904	\$31,676
<b><u>Revenues:</u></b>				
General Fund (01)	\$0	\$0	\$0	\$0
<b><u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u></b>				
General Fund (01)	(\$30,150)	(\$30,150)	(\$30,904)	(\$31,676)

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*Sponsor's Initials*


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*Date*


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*Budget Director's Initials*


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*Date*